

State of Alaska FY2007 Governor's Operating Budget

Department of Law Collections and Support Component Budget Summary

Component: Collections and Support

Contribution to Department's Mission

The Collections and Support section provides advice and representation to the Child Support Services Division of the Department of Revenue to assist it in the performance of its functions. The section is also responsible for collecting judgments owed to the State of Alaska and on behalf of victims of crimes and delinquent acts.

Core Services

The Collections and Support section consists of two units: the collections unit and the child support unit. The collections unit collects unsecured debts owed to the state. The majority of these debts are criminal judgments (fines, judgments for the cost of appointed counsel, judgments for the cost of incarceration on DWI charges, and court and collection costs in minor offense cases). The collections unit also collects civil judgments, including attorney fee awards, on behalf of the state and civil penalties issued by agencies such as APOC. Effective January 1, 2002, the collections unit expanded its work to include the collection of restitution on behalf of victims in criminal and juvenile delinquency proceedings.

The child support unit represents the Child Support Services Division (CSSD) in court, including paternity establishment and disestablishment proceedings, establishment and modification of child support orders, employer non-compliance actions, criminal non-support prosecutions, licensing appeals, and miscellaneous other activities related to enforcement of child support orders. In addition, the unit provides legal support in matters relating to administrative child support enforcement actions, drafts legislation and regulations, and provides general legal advice to CSSD.

FY2007 Resources Allocated to Achieve Results

FY2007 Component Budget: \$2,272,000

Personnel:

Full time	21
Part time	1
Total	22

Key Component Challenges

The primary challenge for the child support unit will be to accommodate a growing number of requests from the Child Support Services Division for assistance in more complex enforcement actions and a growing caseload of support modification requests. With CSSD's reorganization and rethinking of its mission and use of resources, the agency has suggested an intent to place more emphasis on enforcement action, including the use of civil contempt, attachment of assets, fraudulent transfer actions, seek work orders, and criminal non-support. At the same time, actions to modify child support orders have become more complex, with an increase in the number of self-employed or voluntarily underemployed parents. These actions are requiring more resources. Absorbing this additional caseload while continuing to leave one of the section's eight attorney positions vacant as the result of CSSD budget constraints will be a significant challenge.

Other challenges for the child support unit will include tribal issues. The section is waiting for the Alaska Supreme Court to rule in *John v. Baker*. In this case, the section defended the state's position that the Northway Tribal Court does not have jurisdiction to issue child support orders. This case will have significant implications for the Child Support Services Division which is tasked with enforcement of support orders pursuant to detailed federal requirements. More generally, because of the Indian country and tribal sovereignty issues that have been raised in this case, the outcome

of this appeal could also be felt in areas other than child support. In addition, tribes located in other states have begun issuing child support orders and the unit is addressing recognition and enforcement issues concerning these support orders.

The support unit will continue to assist CSSD in updating its regulations to comply with state and federal law as well as current cases decided by the Alaska Supreme Court. The support unit will also assist CSSD in establishing new procedures due to the recently enacted changes to the federal bankruptcy laws.

For the collections unit, the primary challenge will be to acquire a new database to efficiently increase money collected for the state and victims of crimes as well as expand the types of judgments the unit can collect. The FY2006 capital budget included a request for \$250,000 to fund this request, which the legislature appropriated. Currently, the unit is unable to collect certain criminal surcharges due to limited staff and the limited database. In addition to collecting other types of judgments, a new database would expand the restitution collection work. Since January 2002 when the unit began collecting restitution, the unit has developed and, over time, improved a streamlined system for processing restitution judgments and collecting and disbursing restitution on behalf of victims. To date, because of limited personnel and the time spent developing the program and training staff, the unit's work has been limited primarily to processing judgments, handling voluntary payments, and attaching permanent fund dividends. The unit now needs to move forward with more aggressive collection action, particularly in cases where the defendant's failure to pay is particularly egregious. Such actions would include seizing bank accounts, recording judgments, and garnishing wages. Among other things, the unit hopes to enter into an agreement with Department of Labor and Workforce Development to match restitution defendants against labor records in order to identify employers and facilitate wage garnishment for restitution.

Significant Changes in Results to be Delivered in FY2007

Increase the types of judgments, fines and costs collected on behalf of the State of Alaska. The goal is to acquire and implement the new collections database by summer 2006 and begin collecting other judgments, fines and costs, specifically the Correctional Facility Surcharge and Police Training Surcharge, owed to the State of Alaska that are not currently collected by the unit due to the limited database and limited staff.

Increase by 5% the amount of restitution collected for victims of crimes. The goal is to acquire and implement the new collections database by summer 2006, allowing for more efficient processing of restitution cases and time to utilize civil enforcement remedies to collect restitution owed to victims.

Decreasing the time for processing child support modification files. The goal for FY2007 will be to assure that action is taken in 90% of child support modification files within 30 days of receipt of the file from the Child Support Services Division.

Increasing the use of civil and criminal enforcement actions in child support cases. The goal for FY2007 is to increase the number of criminal non-support prosecutions by 10% and the number of cases accepted for civil enforcement action by 5%. The unit will assist CSSD's newly formed Special Collections Unit with enforcement actions against obligors with significant child support arrears.

Assisting CSSD with recently enacted changes to the federal bankruptcy laws and the effect on child support and collection efforts.

Major Component Accomplishments in 2005

The collections unit of the Collections & Support Section collected over \$4.7 million in FY2005, an increase of over \$500,000 from FY2004. These collections included criminal fines, cost of appointed counsel, cost of imprisonment, civil judgments owed to the State of Alaska, and victim restitution. Of this amount, the unit collected and disbursed to victims over \$1.5 million in restitution. This is an increase of over \$400,000 from FY2004.

The section resolved and closed approximately 1,500 child support files in FY2005. These files included paternity establishment and disestablishment cases, appeals, bankruptcies, motions for the establishment and modification of child support orders, license suspensions, employer noncompliance claims, and miscellaneous enforcement actions and claims against the State of Alaska. The section completed more than 700 modifications of Alaska child support

orders through court proceedings, thus assuring that these support orders comply with the child support guidelines set forth in Alaska Civil Rule 90.3.

The section was instrumental in establishing paternity through court proceedings for over 110 children in Alaska and elsewhere. The section assisted in the exclusion of putative fathers through genetic testing and dismissal of court proceedings in more than 25 cases. The section also assisted CSSD with administrative paternity proceedings, primarily by filing judicial proceedings for civil contempt to obtain compliance with administrative genetic testing orders. During FY2005, the section obtained compliance with administrative genetic testing orders in over 50 cases.

The section, with assistance from Native law experts within the Department, presented oral argument to the Alaska Supreme Court on the question of tribal court jurisdiction in the *John v. Baker* appeal. The issue on appeal involves the superior court's finding that the Northway Tribal Court did not have subject matter jurisdiction to issue child support orders. The matter is now pending with the Alaska Supreme Court. The section was also involved in six decisions issued by the Alaska Supreme Court in FY2005.

The section assisted CSSD in recovering over \$176,000 in past due child support from an obligor in bankruptcy. This appears to be the largest lump sum recovery for child support arrears in the history of CSSD.

Statutory and Regulatory Authority

AS 25.27.050, AS 44.23.020

Contact Information

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Collections and Support Component Financial Summary

All dollars shown in thousands

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,587.3	1,648.0	1,742.4
72000 Travel	5.3	20.7	20.7
73000 Services	319.1	464.7	464.8
74000 Commodities	30.0	36.0	36.0
75000 Capital Outlay	19.5	8.1	8.1
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,961.2	2,177.5	2,272.0
Funding Sources:			
1004 General Fund Receipts	245.0	278.8	289.0
1005 General Fund/Program Receipts	226.6	332.4	348.4
1007 Inter-Agency Receipts	1,489.6	1,566.3	1,634.6
Funding Totals	1,961.2	2,177.5	2,272.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	1,489.6	1,566.3	1,634.6
General Fund Program Receipts	51060	226.6	332.4	348.4
Restricted Total		1,716.2	1,898.7	1,983.0
Total Estimated Revenues		1,716.2	1,898.7	1,983.0

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	611.2	0.0	1,566.3	2,177.5
Adjustments which will continue current level of service:				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	8.3	0.0	21.9	30.2
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	1.4	0.0	2.4	3.8
-FY 07 Retirement Systems Cost Increase	15.7	0.0	41.9	57.6
Proposed budget increases:				
-Risk Management Self-Insurance Funding Increase	0.8	0.0	2.1	2.9
FY2007 Governor	637.4	0.0	1,634.6	2,272.0

Collections and Support Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	21	21	Annual Salaries	1,150,695
Part-time	1	1	COLA	30,810
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	612,356
			Less 2.87% Vacancy Factor	(51,461)
			Lump Sum Premium Pay	0
Totals	22	22	Total Personal Services	1,742,400

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	4	0	0	0	4
Assoc Attorney I	2	0	0	0	2
Assoc Attorney II	1	0	0	0	1
Attorney III	2	0	0	0	2
Attorney IV	2	1	0	0	3
Attorney V	2	0	0	0	2
Law Office Assistant I	2	0	0	0	2
Law Office Assistant II	1	0	0	0	1
Paralegal I	1	0	0	0	1
Paralegal II	2	1	0	0	3
Totals	20	2	0	0	22